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Ex parte Notice



October 3, 1997

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

William Caton
Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, D.C. 20554

Re: Payphone Compensation, CC Docket No. 96-128

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

On October 2, 1997 a USTA delegation of Mary McDermott and Keith Townsend met with FCC staff John Muleta, Bob Spangler and Judy Nitsche to discuss issues raised in USTA's waiver petition on per-call tracking. Attached is USTA's follow-up response to issues raised during the October 2, 1997 meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Keith Townsend", written over a horizontal line.

Keith Townsend
Director Regulatory Affairs & Counsel

cc John Muleta
Bob Spangler
Judy Nitsche

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October 3, 1997

John Muleta
Acting Deputy Chief, Common Carrier Bureau
Federal Communications Commission
1919 M Street, NW
Room 500
Washington, DC 20554

Dear Mr. Muleta,

I am writing to provide information that may be helpful as the Common Carrier Bureau considers the waiver request that USTA filed in this matter on September 30, 1997.¹

USTA collected data on both the network technology and on the number of payphones from a group of its small and mid-size companies. We asked all of the companies on USTA's Small Company Committee, Mid-Size Company Committee, Regulatory Committee, and Technical Committee to submit data in this effort. USTA did not attempt to collect or include information from any of its member companies that are part of the LEC ANI Coalition. These companies have already submitted data separately.²

Based upon the information that USTA collected from the companies active on USTA's committees, we have made some estimates as to the situation within the whole universe of USTA's small and mid-size members. I think it is helpful to put that universe in perspective. In total, USTA's small company members serve approximately 3,185,000 lines. USTA's mid-size companies (excluding SNET) serve approximately 8,100,000 lines.³ The total universe of access lines in this country, according to the statistics that USTA collects, is approximately

¹ USTA has also reviewed the letter to Michael Kellogg from Mary Sisak dated September 30, 1997, and is re-checking the information sources it used to estimate the number of switches of various types. USTA will file additional detail next week. It should be noted, however, that regardless of the number of non-equal access switches, the individual LECs with those switches are each faced with the difficulties USTA has described.

² See letter to John B. Muleta, Acting Deputy Chief, Common Carrier Bureau, from Michael Kellogg dated September 30, 1997.

³ In all subsequent references to mid-size companies and information on those companies in this letter, SNET is likewise excluded.

170,570,000. Thus, in total among USTA's small and mid-size members, these companies serve about 6% of the nation's access lines.

USTA asked its sample of companies for information on the number of network controlled payphones owned by LECs or LEC affiliates; the number of "smart" payphones owned by LECs or LEC affiliates, and the number of competitive (or independent) payphones served from the responding companies' switches. Based upon the information provided, and then expanding the sample to the entire universe of small company members, USTA estimates that there are approximately 27,000 network controlled payphones owned by small company members, approximately 700 "smart" payphones owned by these companies; and approximately 8,000 competitive payphones served from the switches of USTA's small company members. For USTA's mid-size group, the estimates are that mid-size companies in total own approximately 71,500 network controlled payphones; approximately 150 "smart" payphones; and they serve approximately 17,000 competitive (or independent) payphones from their switches. In the aggregate, then, a total of about 125,000 payphones are located in areas served by small and mid-size LECs. Although there is some "double counting" because Cincinnati Bell is included and there are some payphones excluded because GTE's data is not included, information USTA recently obtained from Bellcore indicates that the BOCs own a total of approximately 1,306,000 payphones and the BOCs serve approximately 435,000 competitive (or independent) payphones.

USTA's survey indicates that a number of small and mid-size companies either have already deployed Flex ANI or are now testing this capability and will be offering it in the next 10 days. Many other companies have active contracts with their LIDB provider to offer OLNS. Only a handful of small or mid-size companies reported that they did yet have one or the other of these capabilities. And even among these companies, many have deployment plans within the next nine months. Below, I have set out the details on this matter.⁴ Please bear in mind that the percentages listed are based on total reporting lines (as opposed to companies).

1. Among the small companies, 30% reported that they have deployed (or will imminently deploy) Flex ANI. Among mid-size companies, 75% reported that they have deployed Flex ANI. In the total small and mid-size universe, then, 63% have deployed Flex ANI.
2. Among the small companies, 53% reported that they have deployed (or are ready to deploy) OLNS. Among mid-size companies, 14% reported that they have OLNS. In the total small and mid-size universe, then, 25% have deployed OLNS.
3. USTA also asked whether, among those companies that did not now have either Flex ANI or OLNS, there were plans to deploy either if these capabilities within the next 9 months. Among, the small companies, 16% said that they did have such deployment plans. Among, the mid-size companies, 8% said that they did have such deployment plans. In the total small and mid-size

⁴ Because the individual companies in the sample are included by name, USTA would be willing to provide the underlying data under a confidentiality agreement.

universe, then, 10% have such deployment plans.

4. Only a very small part of the sample of companies reporting had neither of the technologies deployed and no plans to do so. The percentage among small companies was 1.5% and among the mid-size companies about 2%.

USTA understands that waivers are not routinely granted by the FCC. But USTA believes that the information concerning the situation of the small and mid-size companies that we have previously shared with the Bureau and the information concerning the large companies that has been presented by the LEC ANI Coalition shows that there will be technology available (either Flex ANI or OLNS) in the vast majority of cases for the October 7 deadline. The information USTA presents here, while not a scientific sample, certainly shows that the universe of payphones affected by the situation of the small and mid-size companies is very small.

Thus, an overwhelming majority of all small and mid-size payphones have the capacity to provide coding information through Flex ANI or OLNS that will permit payphone compensation to PSPs. By granting an extension of time of 9 months, the Commission can ensure that LECs can complete network implementation of Flex ANI or OLNS, in conjunction with IXC's and PSPs, in an orderly manner that ultimately achieves the goals of all interested parties and the Commission that payphone compensation is provided to PSPs. As USTA has noted in its petition, and as the Commission is aware, AT&T and MCI have written the Commission in support of a waiver that would exempt LECs with payphones served by non-equal access switches from providing payphone identification information until the switches are replaced or upgraded for equal access. USTA's proposal is a fair and equitable settlement that accomplishes the Commission's goals, satisfies the interests of all parties, and furthers the public interest in having access to affordable payphone service.

Sincerely,

A handwritten signature in cursive script, reading "Mary McDermott". The signature is fluid and elegant, with a long, sweeping horizontal line at the end.

Mary McDermott
Vice President - Legal & Regulatory Affairs

cc: Robert W. Spangler
Judy Nitsche